## Durard T. Gruelle dba

## D.T. Gruelle Company

(An ITALMS Company)

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United St United States Customs Brokers, License No.: 7697, National Customs Broker Permit: 06-0017.

International Air Freight Forwarders IATA / CNS: 011954, Ocean Freight Forwarders / NVOCC: OTI 12187NF, FMCSA Freight Forwarders: FF#006450, Property Brokers: MC#568390, Members of FIATA, TIA, IAC#: EA9404069, C-TPAT Certified: SVI dtgBro03903

ATTN: ASSISTANT SECRETARY

THE ENCLOSED DOCUMENTS ARE WITH REFERENCE TO: THE PETITION OF NATIONAL CUSTOMS BROKERS AND FORWARDERS ASSOCIATION OF AMERICA FOR EXEMPTION FROM MANDATORY RATE TARIFF PUBLICATION: DOCKET NO. P1-08

VERIFIED SUPPORTING STATEMENT OF DURARD T. GRUELLE

cc: os/GC

FEDERAL MARITIME COMMISSION
WASHINGTON, D.C.



## PETITION OF NATIONAL CUSTOMS BROKERS AND FORWARDERS ASSOCIATION OF AMERICA FOR EXEMPTION

## FROM MANDATORY RATE TARIFF PUBLICATION DOCKET NO. P1-08 VERIFIED SUPPORTING STATEMENT OF DURAND T. GRUELLE

I am Durard T. Gruelle, President of DT Gruelle Company.

DT Gruelle Company is an NVOCC, OTI# 12187NF. We have one office located in Coraopolis, Pennsylvania. We conduct business directly with shippers and we also have various agency relations with partners overseas.

I am a member of the NCBFAA. I am very familiar with the issues relating to requirements for mandatory publication of ocean rate tariffs. I am in support of the Association's petition to exempt NVOCCs from having to memorialize rates in rate tariffs that have been negotiated with shippers.

Our market is too dynamic to maintain a viable rate structure that is of any use to anybody. Rates can change on a weekly, if not daily basis. The rates we provide are highly dependent on the rates currently available with the steamship lines. We serve many shippers and each one must know his rate. We memorialize all rates in emails or via fax.

I have enumerated reasons why the requirement for mandatory publication of ocean rate tariffs should be lifted.

- 1. It is clear that our shippers and agents do not need or rely upon rate tariff since none of our shippers have inquired with our publisher over the past 10 years.
- 2. Traffic moves exclusively on rates that are negotiated, often if not usually, on a shipment by shipment basis.
- 3. Even if we have a service contract with a steamship line, many rates are negotiated on a spot market basis so that the traffic moves under bullet rates. As a result, NVOCC costs vary frequently and so the rates we offer will also vary frequently even for the same commodity moving in the same trade lane.
- 4. Because cargo usually moves almost immediately after the rates are negotiated, it is often difficult to ensure that the rates are memorialized in tariff form before transport occurs.
- 5. Our shippers and overseas agents are satisfied to rely on the rates quoted via email. Our Customers and agents are not confused about the rate; nor have there been any disagreements about what the rate is.

Furthermore, there are also practical difficulties in complying with the requirement to publish rate tariffs. There is the difficulty of keeping up with the constantly changing carrier tariffs, which may on occasion not provide sufficient notice. There is also the need to quote numerous rates for prospective customers, only a few of which may ultimately be accepted

Also, NVOCC Service Arrangements have not provided us with any measurable relief from the burden of tariff filing. There are several reasons why:

- 1. The benefit of confidentiality is not important, since no one accesses our rate tariffs.
- 2. NSAs still have to be written documents that have to be filed with the agency and the essential terms still have to be published in the tariff, so there is no cost savings to us.
- 3. Many shippers don't want to sign NSA's. They feel it is too formal and is not necessary. If we insist on having them sign the NSA we could risk losing the customer.
- 4. NSAs are too cumbersome except for large volume contracts with shippers. Even with this scenario, many large shippers still prefer to avoid formal contracts

The filing requirements are also economically onerous because the annual cost of subscribing to a tariff publishing service is high. There is also the man hours lost keeping our tariff up to date. We spend approximately 8-10 hours each month maintaining changes to the tariff. The cost in publishing services and man hours is well in excess of \$30,000 per year

Overall, in view of the large number of shippers and agents we service and the large number of carriers we use, the publication process is a very cumbersome and expensive proposition. It is because of the above mentioned reasons that I respectfully request that the FMC rescind its mandatory requirement for tariff filings.

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I, Durard T. Gruelle declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verified statement.

Executed on August 28, 2008.